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1949-53

1949-53

File No. LHB 1152

B CLASS

P.W. DEPARTMENT
K BRANCH

Subject:—

Hubli Ele. Supply Co.
Accounts for 1949-50.

B L R - 1153

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File No. LHB 1152 K

DOCKET SHEET (B)

Subject: *Aboli Electric*
Supply Undertaking
Accounts for the year
1949-50

File No. *LHB 1152**Public Works* DEPT.

* BRANCH.

References:

Date	To whom sent.	Notes and instructions
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The Hubli Electric Supply Undertaking, P.W.D., Bombay.

Accounts for the year ended 31st March 1950 (Hubli Electric License No. 5660/36)

Statement No. I - share capital appropriated for the purpose of the Undertaking authorized by the above mentioned License at the end of the year and capital invested by the Government of Bombay.

The Hubli Electricity Co., Ltd.'s Share Capital.

Description Authorized by	No. of Share Memorandum Issued	Share Capital amount of shares.	Called up per share.	Total	Issued but not paid up.	Remain- ing un- issued.	Total to the end of last year.	During the year.	Total up- dated.
Rs. 10,00,000 Prescribed into 20,000 shares and (ordinary) of Memorandum of Association of the Company.	16,000	Rs. 50/- each.	Rs. 50/- per share.	6,88,700/-	875 Shares of Rs. 50/- each.	Rs. 43,750/-	Rs. 10,00,000/-	Rs. 7,02,371-5-1	Rs. 83,077-4-4

Notes: (1) The Hubli Electric License, 1924 stands revoked and the Undertaking is run by the Government of Bombay from 3-5-1944.
(2) Capital expenditure incurred by Government is taken as Capital invested by Government.

The Hubli Electric Supply, P.W.D., Hubli. - September 1951

Divisional Accountant
Deputy Engineer

The Hubli Electricity Supply Undertaking P.W.D., Hubli.

Statement No. II- loan capital appropriated for the purposes of the Undertaking authorised by the above license for the year ended 31st March 1950.

The Hubli Electricity Co. Ltd.		Government of Bombay.	
Description of loan	Amount borrowed.	Remaining borrowing Power.	Total amount of borrowing Power.
	At. Total.		
A Series of 250 First Mortgage debentures of Rs. 500/- each bearing interest at 5 1/2% per annum under a floating charge on all the Company's property present and future, including its uncalled capital.	5 1/2% Rs. 1,25,000/-	Unlimited.	Unlimited.
			Nil.

Note:- No fixed capital has been allotted by the Government of Bombay.

Total Capital.	
I (1) Paid up (see No. I)	Rs. 6,88,700... 0.0
(2) Govt. of Bombay (-d.-)	Rs. 8,83,877... 4.7
	Rs. 15,72,577... 4.7
II Total loan Capital (see No. II)	Rs. 1,25,000... 0.0
Total Capital...	Rs. 16,97,577... 4.7

The Hubli Electric Supply,
P.W.D., Hubli. 1st October, -1951.

Manan Khan
Divisional Accountant

W. D. Patel
Deputy Engineer,
I/c The Hubli Electric Supply, P.W.D.,
Hubli.

Undertaking, P.W.D., Hubli.

ended 31st March 1950.

Capital Receipts.	H.E. Co's Receipts. Rs. A. P.	Govt. Of Bombay.		Total receipts to the end of March 1950. Rs. A. P.
		To the end of previous year. Rs. A. P.	During the year. Rs. A. P.	
1. By 13,744 ordinary shares of Rs. 50/- each.	6,88,700..0.0	-	-	6,88,700..0.0
2. By 250 Debentures of Rs. 500 each.	1,25,000..0.0	-	-	1,25,000..0.0
3. By Govt. Capital investment.	-	7,02,371..5.1	1,81,505.15.3	8,83,877..4.4
4. By Receipts on account of Service connections		6,992..6.0	2,301.15.3	9,294..5.3
Total receipts carried to General Balance sheet. (statt. no. VIII.	Rs. 8,13,700..0.0	7,09,363.11.1	1,83,807.14.6	17,06,871..9.7

connections for the year ended 31-3-1950.

36 El. dated 28-2-1944.

shown on the expenditure side of the capital account.)

Rs. 670..0.0

Rs. 1,631.15.3

Rs. 2,301.15.3 (This has been shown on the receipt side of the capital account.)

Prase
Deputy Engineer,
The Hubli Electric Supply, P.W.D.,
Hubli.

THE HUBLI ELECTRIC SUPPLY

Statement No. III.. Capital Account for the year

Dr.					
Capital Expenditure.	H.E. Co's Ex- penditure. Rs. A. P.	Govt. of Bombay. to the end of the previous year. Rs. A.P.	during the year. Rs. A. P.	Total Capital Expenditure upto the end of March 1 50- Rs.A. P.	
1. To, Preliminary Ex- penses.					
(i) Valuation fees of Mr. Marsh.	-	3,232..6.0	-	3,232..6.0	
(ii) Arbitration fee of Mr. Muller- neux.	-	5,013..4.0	-	5,013..4.0	
2. To, lands including law charges inciden- tal to acquisition.	4,928..4.5	-	-	4,928..4.5	
3. To, Buildings ...	98,935.11.7	-	-	98,935.11.7	
4. To, Plant. ...	3,84,742..6.10	628,473.10.4	1,62,161..1.9	1175,377..2.1	
5. To, Mains. ...	1,27,770..9.7	25..8.0	38..0.0	127,834..1.7	
6. To, Service Connections ...	38,890..2.5	35,793.13.3	12,374..7.3	87,018..6.1	
7. To, Transformers..	12,777..5.11	1,818..5.3	-	14,595.11.2	
8. To, Meters and fees for certifying under the act. ...	18,233..0.3	23,670.12.0	5,812.11.6	47,716..7.9	
9. To, General Stores. (Tools & Testing instruments) ...	10,081..5.4	4,089..0.3	181..6.9	14,351.12.4	
10. To, Special Items:					
(a) Public Lighting capital expenditure	36,883..1.10	-	-	36,883..1.10	
(b) consideration for the Hubli Elec. License 1924. ...	51,250..0.0	-	-	51,250..0.0	
(c) Furniture & Fittings (including Telephones) ...	8,659..7.9	-	978..4.0	9,637.11.9	
(d) Motorage & Cycles (including livestock vehicles) ...	3,958..2.3	254.10.0	-	4,212.12.3	
Total Expenditure carr- ied to General Balance Sheet (Stat. No. VIII):	Rs. 7,97,109.10.2	702,371..5.1	1,81,505.15.3	16,80,986.14.6	

Note:- Particulars of receipts and expenditure on account of Service
(Govt. P.W.D., Circular No. 258)

Total Expenditure for the year- Rs. 12,334..7.3. (This has been)

Receipts on account of:- (a) Service Connection Fees ..
(b) Service Revenue

Total...

The Hubli Electric Supply, P.W.D.,
Hubli. 18 October, 1951.

Divisional Accountant.

7 UNDERTAKING, P.W.D., MUBLI.

for the year ended 31st March, 1950.

	RS.	AS.	PS.	CR.
1. By sale of energy for lighting Purposes	1,39,223	4	6	
Less Discounts and allowances to consumers.	906	13	0	
2. By Sale of energy for motive Power	1,37,316	7	6	
3. By Sale of energy under special contract	32,125	11	6	
	740	1	0	
4. By Public Lighting				1,70,182.4.0.
5. By rental of Meters and other apparatus on consumers' premises				5,516.0.0
6. By Service connection fees and Service Revenue (See Statement No.III)				
7. By Miscellaneous Revenue from consumers				325.8.0.
8. By balance carried forward to Net Revenue Account (Stt. No.V)				6,340.12.4.
TOTAL	RS.	1,82,364	8	4.

manan
DIVISIONAL ACCOUNTANT

J. P. Ance
DEPUTY ENGINEER,
The Mubli Electric Supply, PWD.,
MUBLI.

THE HUBLI ELECTRIC SUPPLY

Statement No. IV - Revenue Account

	RS.	AS.	PS.	RS.	AS.	PS.
A. GENERATION						
1. To Fuel ...	34,463.	12.	11			
2. To Oil, waste, water and engine room stores ...	5,055.	13.	5			
3. To Proportion of salaries of Engineers, Superintendents and officials ...	4,710.	2.	4			
4. To wages and gratuities ...	16,480.	9.	3			
5. To Repairs and Maintenance as under:-						
1) Plants ...	5,347.	12.	0			
Special Items:-						
11) Tools ...	13.	5.	9	66,071.	7.	8
B. DISTRIBUTION						
1. To Proportion of salaries of Engineers, superintendents, and officers ...	4,179.	14.	4			
2. To Wages and gratuities ...	6,114.	0.	3			
3. To Repairs and Maintenance of Mains and Services ...	2,880.	4.	0			
4. To Repairs maintenance and renewals of meters, switches, cutouts and other apparatus on consumers' premises ...	27.	8.	0	13,201.	10.	7
C. PUBLIC LAMPS.						
1. To Repairs and maintenance ...	3.	0.	0	3.	0.	0
D. RENTS, RATES AND TAXES.						
1. To Rents and Taxes ...	2,292.	13.	9	2,292.	13.	9
E. MANAGEMENT EXPENSES.						
1. To Salaries and allowances of the Deputy Engineer... 2,272,18..4.	2,272.	18.	4			
2. To Salaries and allowances of the special Establishment... 923..1..0	923.	1.	0			
3. To Salaries and allowances of the staff... 15,507..8..9	15,507.	8.	9			
4. To General Establishment Charges ... 4,700..0..3	4,700.	0.	3			
5. To Audit fees of the Accountant General, Bombay. 260..0..0	260.	0.	0	23,663.	8.	4
F. LAW CHARGES.						
1. To Law charges ...	-					
G. DEPRECIATION						
2. To Depreciation of Buildings... 2,324..0..0	2,324.	0.	0			
2. - do - Plant ... 61,097..0..0	61,097.	0.	0			
3. - do - Mains ... 3,796..0..0	3,796.	0.	0			
4. - do - Services ... 3,361..0..0	3,361.	0.	0			
5. - do - Transformers ... 657..0..0	657.	0.	0			
6. - do - Meters ... 2,526..0..0	2,526.	0.	0			
7. Special Items: Depreciation on						
1) Tools and Testing instruments ... 1,275..0..0	1,275.	0.	0			
2) Street Lighting ... 1,660..0..0	1,660.	0.	0			
3) Furniture and fittings ... 390..0..0	390.	0.	0			
4) Motor ... 46..0..0	46.	0.	0	77,132.	0.	0
TOTAL				RS. 1,82,364..8..4.		

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The Hubli Electric Supply Undertaking, P.W.D., Hubli.

Statement No. V- Net Revenue Account for the year ended 31st March 1950.

Dr. S.No.	Particulars.	Amount.		S.No.	Particulars.	Amount.		Cr.
		Rs.	A. P.			Rs.	A. P.	
1.	To balance brought forward from Revenue Account (Stat. No. IV)	6,340	12 4	1.	By balance brought forward from last Account.	6,483	3 7.	
2.	.. balance carried over to General Balance Sheet (Stat. No. VIII)	142	7 3					
	Total ..	6,483	3 7		Total ..	6,483	3 7	

The Hubli Electric Supply,
P.W.D., Hubli. / *S. G. J. J.* 1951.

Divisional Accountant.

[Signature]
Deputy Engineer,
I/o The Hubli Electric Supply, P.W.D.
Hubli.

The Hubli Electric Supply Undertaking, P.W.D., Hubli.

Statement No. VI-Reserve Fund Account for the year ended 31st March 1950.

Dr.

S.No.	Particulars.	Amount. Rs..A.P.	S.No.	Particulars.	Amount. Rs..A.P.	Cr
	-Nil-	-Nil-	-	-Nil-	-Nil--	

The Hubli Electric Supply,
P.W.D., Hubli. 18th October, 1951.

Provenance
Divisional Accountant.

Prase
Deputy Engineer,
I/o The Hubli Electric Supply, P.W.D
Hubli.

The Hubli Electric Supply Undertaking, P.W.D., Hubli.

Statement No. VII- Depreciation Fund Account for the year ended 31st March 1950.

Dr.				Cr.	
S.No.	Particulars.	Amount. Rs. A. P.	S.No.	Particulars.	Amount. Rs. A. P.
	To balance carried down to General Balance Sheet, (statt.No. VIII)	2,80,280 - -	1.	By balance brought forward from last account.	2,03,148 - -
			2.	,, amount brought from Statutory-Revenue Account.	77,132 - -
	Total ..	2,80,280 - -		Total ..	2,80,280 - -

The Hubli Electric Supply,
P.W.D., Hubli. 18th October, 1951.

Pranabha
Divisional Accountant.

Prase
Deputy Engineer,
I/c The Hubli Electric Supply, P.W.D., Hubli.

The Hubli Electric Supply

Statement No. VIII- General Balance Sheet as on 31-3-1950.

Liabilities.

<u>I. Transactions upto 31-3-1944.</u>	<u>Rs. A. P.</u>	<u>Rs. a. p.</u>
(1) Share capital as per statment no. III.	6,88,700..0.0	
(2) Debenture Capital -do-	1,25,000..0.0	
(3) Other liabilities and credit balances in accounts as on 31-3-1944.	43,823,10.2	
(4) Depreciation reserve.	1,35,463.15.11	9,93,987.10.1
<u>II. Transactions since 4-5-1944.</u>		
(1) Capital Account as per statment No. III (items 3 & 4)		8,93,171..9.7
(2) Reserve Fund Account		-
(3) Depreciation Account.		2,80,280..0.0
(4) Net Revenue Account, Balance at the credit thereof.		142..7.3
<u>Sundry creditors and other Accounts.</u>		
(5) Sundry creditors on construction of plant and Machinery, fuel, stores etc.		3,170.15.0
(6) Sundry creditors on open accounts.		22,953..4.3
(7) Unclaimed liabilities		331.13.6
(8) Provisions for discounts and allowances to consumers		72.14.6
<u>Special Items:</u>		
(i) Govt. Capital Account.		
(a) (i) Opening Balance (credit).....	4,79,083..1.11	
(ii) Net expenditure met out of Govt. Funds. (-)	1,11,265..4.7	
(iii) Closing Balance on 31-3-1950 (-) ..	5,90,348..6.6	
(b) (1) Capital Account (statement no. III) (vide item II(i) contra.).....	8,83,877..4.4	
(ii) Govt. Account. (vide item II (6) contra.)	2,93,528.13.10	
(10) Value of company's Stores used by Government. (-) ..	5,90,348..6..6	
		<u>Rs. 10,838..6.5</u>
	<u>Total</u>	<u>Rs. 22,04,949..0.7</u>

Note:- The above Balance Sheet also includes Assets and which are in the possession of the Hub

The Hubli Electric Supply, P.W.D.,
Hubli, 1st October, 1951.

[Signature]
Divisional Accounts

1

319 Ward 1950.

(As per statement signed by the Deputy Engineer
* Killowatt of plant at service is 870 and this is obsolete.

W. H. H. H.
Divisional Accountant.

I/o The Hubli Electric Supply,
P.W.D., Hubli.

Statement No. IX- Energy Generated, sold, etc., for the year ended 31st March 1950.

Total Energy Generated in Kilowatt hours.	Kilowatt hours sold.		Kilowatt hours used on works.	Kilowatt hours net ac- counted for.	Kilowatt hours for public lamps.	Total consumers con- nected.	Plants insta- lled in Ki- lowatt watts.	Maximum supply demanded in Ki- lowatt watts.					
	By Public Lamps.	By spl. meters.											
5,18,222	Nil.	1,950	2,72,167	1,46,860	4,20,977	52,195	45,060	4,73,162	Nil.	1251	1029	2012* 1984 1984	260 K.W. on 30-3-1950 at 19-30 hours.

(As per statement signed by the Deputy Engineer)
 * Kilowatt of plant at service is 870 and remaining is obsolete.

The Hubli Electric Supply,
 P.W.D., Hubli. 1st October, 1951.

Manan Kumar
 Divisional Accountant.

W. S. Anand
 Deputy Engineer,
 I/c the Hubli Electric Supply,
 P.W.D., Hubli.

THE HUBLI ELECTRIC SUPPLY UNDERTAKING, HUBLI.

Model Form - 1949-50

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1. Undertaking		The Hubli Electric Supply, Hubli.
2. Account for the year ending....		31st March 1950.
3. Year of Working.	.....	1950; 24th Year.
4. Motive Power.	.....	Diesel Engines 8 (out of which four are working & the remaining four are beyond repairs and dismantled and stored up in the compound.)
5. Total Capital expenditure at the end of the year.	.....	Rs. 16,80,986..14.6
6. Revenue from Electric Supply...		Rs. 1,70,182...4.0
7. Revenue from meter rents and other sources (including interest on investments, if any.)	.....	Rs. 5,641...8.0
8. Total Working costs excluding depreciation (col. NO. 11) but including incometax from Net Revenue Account.	.....	Rs. 1,05,232...8.4
9. Gross profit, before providing for interest, depreciation or reserve. (col. no. (6+7)-8)	.....	Rs. 70,791...3.8
Interest (on debentures and loans) and special charges.	.....	Rs. Nil.
11. Depreciation and Reserve (for the year) writing off preliminary expenses included.	.....	Rs. 77,132...0.0
12. -do- % col. 5.		4.58
13. Financial result (col (9-(10+11))		Loss Rs. 6,340..12.4
14. -do- % col. 5.		Loss .37
15. Units generated	.....	5,18,222.
16. Units Sold	.....	4,20,977.
<u>Costs in annas per unit generated.</u>		
17. Fuel.	.....	1.064
Oil, waste, engine room, stores etc.,	.....	.156
19. Wages and Salaries, excluding management (Generation, Disassemblution and Public Lamps, etc.)	.....	.941
20. Repairs and maintenance (Generation, distribution and public renewals when charged on contract rate for current includes renewals).		.255
21. Rent, Rates and Taxes	.....	.071
22. (a) Management, office allowance, salaries (other than col. 19) office and legal expenses	.....	.731
(b) Incidental and overhead charges (other than capital charges) e.g. depreciation, insurance, incometax, interest etc. which cannot be properly included under any of the heads.	.....	2.382
3. Total working cost. (col. no. 17 to 22 added.)	.....	5.630

Technical Data.

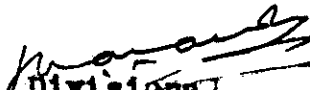
24. Kilowatts connected to public Lamps..	Nil.
25. Total consumers connected.	1,251
26. Total connections-Kilowatts	1,029
27. Maximum load of feeders.	260 K.W.
28. Maximum load of Station.	260 K.W.
29. Plant capacity installed in Kilowatts	1984 ~~2,042~~ K.W. (Working capacity 870 K.W.)
30. Average price in annas, obtained per unit. (col. 6/16)	6.468
31. Percentage of dividend, paid per year	Does not apply being a Govt. Undertaking.
32. The type and size of the Generating Plant with dates of installation thereof..	2 Mirrless Diesel Engines of 135 H.P. each, direct coupled to 2 Siemens Schuckert 130 KVA., 3 phase alternator at 3300 V. each installed in 1927 January (in working order). 1 Mirrless Diesel Engine of 435 B.H.P. direct coupled to 1 G.E.C. 370 K.V.A. 3 phase alternator at 3300 volts, installed in 1934 February, but being beyond repairs was dismantled in 1945 and 1946 stored up in the compound. 1 M.A.N. Diesel Engine of 100 B.H.P., direct coupled to 1 ASEA 82 K.V.A. 3 phase, alternator at 3,300 volts; installed in 1939 January, but being beyond repairs was dismantled in 1945-46 stored up in the compound. 1 Mirrless Diesel Engine of 750 B.H.P. direct coupled to an International G.E.C. 500 K.V.A., 3 phase alternator at 2200 volts installed in 1940 with the step-up Transformer to 3300 volts, but but being beyond repairs was dismantled in 1948-49 and stored up in the compound. 1 Krupp Diesel Engine of 350 B.H.P., direct coupled to A.E.C., 275 KVA, 3 phase alternator 3300 volts, installed in 1941 August, but being beyond repairs was dismantled in 1948-49, and stored up in the compound. 1 Worthington Diesel Engine of 220 H.P. direct coupled to 1 Westinghouse 180 K.V.A., 3 phase alternator at 3150 volts 50 cycles, 3 wire, installed in 1945 September, in working order. 1 Alco Diesel Engine, 810 B.H.P. direct coupled to a G.E. Generator 550 K.W., 3 phase at 3150 volts, 50 cycles, 3 wire installed in 1950 March, in working order.

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33. Nature of Supply:-

- | | |
|-------------------------------------|---|
| (a) Generation, voltage, frequency. | A.C. 3 phase, 3 wire, 3150 Volts 50 cycles. |
| (b) Distribution | ... 400 volts, 3 phase, 50 cycles, 4 wire. |

The Hubli Electric Supply,
P.W.D., Hubli. 1st October, 1951.


Divisional
Accountant.


Deputy Engineer,
The Hubli Electric Supply,
P.W.D., Hubli.

The Hubli Electric Supply Undertaking, P.W.D., Hubli.

Computation of depreciation for the period from 1-4-1949 to 31-3-1950

Assets.	Original Value of Assets.		Rate of depreciation.	90% of original value of assets.		Amount of depreciation on assets.	Total Depreciation.
	Taken over from Company.	Purchased out of Govt. Funds.		Taken over from company.	Purchased out of Govt. Funds.		
Building.							
(1) Power House	49,862	-		44,876		1,441	
(2) Others	49,074	-	3.3%	44,167		803	1,441
Plant & Machinery.			2%				883
3,84,742	6,28,474						
Mains.	1,27,771	26	6.7%	3,46,263	5,65,527	3,200	61,097
Service connections	38,890	35,794	23%	1,14,994	23	3,795	3,796
Transformers	12,777	1,818	5.0%	35,001	32,215	1	3,361
Meters	18,233	23,671	5.0%	11,499	1,636	575	657
Public Lighting.	36,883		6.7%	16,410	21,304	1,099	2,526
Furniture & Fittings	8,659		5.0%	33,195		660	1,660
Tools & testing instruments			5.0%	7,793		390	390
Others	10,081	4,089		9,073	3,680	907	
	-	255			230		
Total							
						35,700	77,132
						41,432	

The Hubli Electric Supply, P.W.D., Hubli, 1st October, 1951.

Divisional Accountant.

Deputy Engineer

2

REPORT ON THE AUDIT OF THE ACCOUNTS OF THE HUBLI ELECTRIC
SUPPLY P.W.D. (SUB-DIVISION OF THE NORTH ELECTRIC DIVISION
P.W.D.) FOR THE YEAR 1949-50.

To

50/16267 20/2/5

The Secretary to the Government of Bombay,
Public Works Department,
Bombay.

The audit of the accounts of the Hubli Electric Supply sub-division P.W.D. and the examination of the annual statements of accounts for the year 1949-50 was carried out in the office of the sub-divisional officer in charge of the concern at Hubli between 25-1-52 and 1-2-52. ~~and~~ Transactions for the months of December 1949 (21-11-49 to 20-12-49) and March 1950 (21-2-50 to 31-3-50) were subjected to detailed scrutiny. Statements I to IX and the statement of financial data for the year 1949-50 are attached.

2. Previous Audit:
Paras 1, 3, 5, 6, 7, 8, 12, 18, 26, 30 & 31 of the Audit Report for 1943-44 to 1948-49:-
A reference is invited in this connection to this office U.O.No.OA/13708 dated 11-2-52.

Para. 13:- The block register of assets which was promised to be maintained has not been maintained so far. This work of writing up the block registers should be completed immediately.

Para. 29:- There has been ^a reduction in the percentage of units lost in transmission. It was stated that there would be a reduction when the installation of two new sub-divisions and replacement of the existing feeders were completed. Urgent action to complete the same should be taken.

3. Current Audit:-
Expenditure incurred by the Executive Engineer North Electric Division, P.W.D. Bombay in cash and by adjustment on this concern could not be scrutinised as the copies of the relevant vouchers and the transfer entry orders were not kept in the sub-divisional office. Similarly accounts of suspense heads like "P.W. Advance" were also not kept at the office of the concern. In view of the commercial character of the undertaking the need for keeping all the records and relevant accounts at the Hubli Office is emphasised.

The works abstracts giving the details of expenditure incurred by the Divisional office which formed the basic records for preparing the commercial accounts were not signed by the Divisional Officer.

4. Verification of Cash: The cash balance on hand on 30-1-52 was verified and found to agree with the balance in the cash books.

5. Accounts of Expenditure on motor Car:-
One motor car has been taken over from the Hubli Electric Supply Coy. It is being used by the Deputy Engineer. Car Log Books, Car Diary, Car Orders and petrol and oil account were however not maintained.

In the absence of these records it cannot be verified whether the car is being used for official purposes only. It is absolutely necessary that these records should be maintained in suitable forms with immediate effect. It should be ascertained whether the car has been used for private purposes and if so the charges should be recovered from the persons concerned

6. Stock Account:- The sub-divisional officer has been authorised to maintain stock to the extent of Rs. 10,000 vide G.L. P.W.D.No.5660/36-A(iii) dated 26-10-49. The prescribed stock returns were however not maintained. The non-maintenance of the stock accounts in the prescribed forms should please be explained. Immediate steps should also be taken to maintain all the prescribed registers of accounts.

It was noticed that the expenditure on purchase of store articles was usually debited to the works concerned and no quantity account of the materials was kept. It is not clear as to how the issues and balances of these store articles are watched. Very large purchases of materials were made for capital works (vide G.R.V.Books 7, 8 & 9). In the absence of quantity accounts, it will not be possible to have an effective control over the materials purchased and used. It is therefore essential that a proper store account showing both value and ~~quantity~~ should be maintained so as to have an effective control over the issue of stores.

It is also suggested that all stores purchased should be brought to account before they are issued to the works concerned. It is suggested that in respect of large capital works account of stores in form (C.P.W.D. A.C.35) may be maintained.

7. Account of dismantled materials:-

A large stock of dismantled materials is lying in the compound of the concern. No account of these materials is kept on the ground that they include some property of outside parties. It is necessary that a proper inventory thereof should be kept showing therein the property of Government and private parties separately.

8. (a) Statement No. I:-

The capital expenditure incurred by the Government during the year 1949-50 amounted to Rs.181505-15-3. The total capital expenditure from state funds from the date of taking over the concern to the end of March 1950 was Rs.883,877-4-4. The share capital raised by the Company was Rs.6,88,700/-.

- (b) Statement No. II:-

This statement shows the 5½% debenture loan of Rs. 1,25,000 raised by the Coy. before 31-3-44.

9. Statement No. III:-

(a) Receipts on account of service connections during the year amounted to Rs.2301-15-3. The total receipts on this account to the end of March 1950 was Rs.9294-5-3.

(b) The capital expenditure during the year was mainly incurred on installation of plants and service connections.

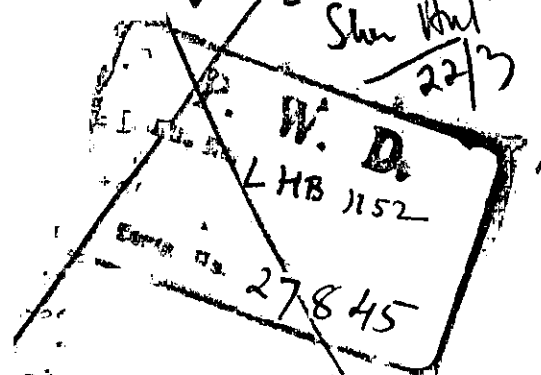
(c) The total expenditure on capital works, the K.W.capacity of the plants installed and the K.W.capacity of the plants at service and capital expenditure per K.W. of plant at service for the years 1948-49 and 1949-50 are given below:-

	Total capital expenditure as per statement III.	Capacity of plant installed in K.W.	Capacity of plant at service in K.W.	Capital expr. per K.W. of plant at service.
	Rs.			Rs.
1948-49	14,99,481	1462	320	4685.9
1949-50	16,80,987	1984	870	19

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(d) The percentage of revenue realised on the capital expenditure for the year 1949-50 was 10.50 against 10.78 for the year 1948-49.

10. Statement No. IV Revenue account Receipts:-

(a) The receipts from the sale of energy and other sources with the units sold to the various classes of consumers for the years 1948-49 and 1949-50 are compared below:

Item	Unit	Amount	1948-49 Price in annas per unit.	Unit	Amount	1949-50 Price in annas per unit.
1. Lighting	247220	125247	8.10	272167	138223	8.13
2. Power	143549	30804	3.43	146860	32126	3.50
3. Special contracts	1540	740	7.44	1950	740	6.07
4. Public lighting	--	--	--	--	--	--
5. Total:	392359	156791	6.39	420977	171089	6.50
Less discount allowed		888	0.03	227	907	0.03
Net:		155903	6.36		170182	6.47
Add Revenue from meters:		5462			5516	
Misc. Receipts		321			326	
Total:		161686			176024	

The supply of electricity for public street lighting was not restored during the year 1949-50. It was restored only from July 1951.

There has been no change in the rates charged to consumers during the year 1949-50.

(b) Expenditure:-

The working expenses (excluding depreciation, interest charges, writes-off etc.), the cost per unit generated and sold for the years 1948-49 and 1949-50 are compared below:-

Item	Amount in Rs.,	Cost per unit (in As.) Sold	Cost per unit Generated	Amount in Rs.	Cost per unit Sold in As.	Cost per unit Generated. in As.
1. Fuel	33662	1.372	1.089	34,464	1.310	1.064
2. Oil, Wastage Water etc.	3118	0.127	0.100	5,056	0.192	0.156
3. Wages & salaries excluding management	26998	1.100	0.873	31,485	1.197	0.972
4. Repairs & maintenance	13519	0.551	0.437	8,272	0.314	0.255
5. Rents, Rates & Taxes	1691	0.069	0.054	2,293	0.087	0.071
6. Office Estt. Audit etc.	12993	0.529	0.426	23,664	0.899	0.730
7. Total:	91981	3.748	3.979	1,05,234	3.999	3.248

Units Sold 392359

4,20,977

Units generated.

494259

5,18,222

The sharp increase in expenditure under the head Wages & Salaries is due to the appointment of additional staff revision of Pay Scales & Payment of arrears on account of revision of Pay Scales. (P.T.C)

(c) The quantity of diesel oil consumed, total energy generated and energy generated per gallon of oil for the years 1948-49 and 1949-50 are compared below:

Year	Diesel oil used in gallons.	Energy Generated	No. of units generated per gallon of oil.
1948-49	43761	494259	11.29
1949-50	47161	518222	10.99

There is a decline in the number of units generated per gallon of oil. In the absence of the proper store account, it is not possible to verify whether the entire quantity of oil was used for running the engines *only*.

11. Statement No. V. Net revenue account:-

(a) The net revenue account to the end of 1949-50 shows a net surplus of Rs. 142-7-3 only as against Rs. 6483-3-7 at the end of the previous year. The deficit during the year 1949-50 (viz. Rs. 6340-12-4) appears ~~xxx~~ mainly due to increase in establishment expenses and heavy depreciation charges.

(b) Interest on capital:-

The amount of interest on capital (book value of assets taken over and the capital Invested by ~~the~~ Government) for the year 1949-50 works up to Rs. 52,365 as shown below:

(1) Interest on book value of assets taken over:-

Opening capital/ as per annexure ^{on 1-4-49} H	Rs. 9,11,874-10-2
to the Audit Report for 1943-44 to 1948-49:	9,11,874-10-2
Add interest for 1948-49:	: 31,916-0-0

	9,43,790-10-2
Closing Balance:	9,43,790-10-2

Total:	18,87,581-4-4
Mean Capital:	9,43,790-10-2
Interest @ 3.5% per annum:	Rs. 33,033/-

(2) Interest on Government Capital:-

Opening Capital:	Rs. 4,88,205-1-11
Add interest 1948-49:	8,502-0-0

Total:	4,96,707-1-11
Add net expenditure during the year 1949-50:	1,11,265-4-7

Closing Capital:	6,07,972-6-6
Opening Capital:	4,96,707-1-11
Closing Capital:	6,07,972-6-6

Total:	11,04,679-8-5
Mean Capital:	5,52,339-12-2
Interest @ 3.5% per annum:	Rs. 19332.
Total Interest:	(1) 2 33033
	(2) 2 19332

	2 52365.

The total interest charges from the date of taking over to the end of 1949-50 works upto Rs. 2,16,670 (Rs. 164305 + 52365). If this interest on capital is added to the balance of the net ~~xx~~ revenue account, that account would show a net deficit of Rs. 2,16,527-8-9 which

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represents the loss incurred after the undertaking was taken over by the Government. As remarked in the last audit report, this figure is, however, provisional and will need revision after purchase price of assets taken over from the Coy. is settled. The rate at which interest has been calculated for the year 1949-50 is also provisional in view of the fact that the final rate of interest is not known.

12. Statement No. VI:- There was no reserve fund during the years the Company worked the concern.

13. Statement No. VII ^{Depreciation} ~~Deposit~~ Fund Account:-
(a) The total depreciation reserve to the end of 1950 created after the undertaking was taken over by the Government was Rs.280280 as against the reserve of Rs.2,03,148 as at the end of the year 1948-49.

In addition the reserve created by the Company prior to 1944 was Rs.1,36,463-13-11.

The depreciation is worked on the book value appearing in the company's ledger on 31-3-44 plus additions made in the subsequent years from Government funds, calculated in accordance with the rates laid down in the table appended ^{Seventh} schedule to the Electricity (Supply) Act 1948. The depreciation is worked out on the total value of the assets under each category. It should be worked out on each individual assets separately. During the years 1944 to 1949 depreciation was worked on the value of assets shown in the Capital account. It was noticed during audit that depreciation has been calculated on obsolete and dismantled assets. The Electrical Engineer may ~~may~~ consider whether it is essential to charge depreciation on such assets and issue instructions accordingly.

14. Statement No. VIII:- Balance Sheet:

a) Sundry debtors Rs.26050-7-8:

On reviewing the list of sundry debtors, it was noticed that a large number of consumers have not paid their dues for more than six months. Several of them have not paid anything for some years. Energy is still being supplied to them and no action is taken to recover the dues. A list of a few consumers who have not paid the charges for over six months is attached. Vigorous action is necessary to recover ~~this~~ amounts in order to avoid bad debts.

b) Sundry creditors Rs.22953-4-3:-

This amount includes the amount of Rs.8829-8-6 received towards P.W. Deposits. The ledger of consumers' deposits is not balanced at all. It is not therefore possible to tally the total outstanding balances in this ledger with the general ledger. The consumers' ledgers should be balanced and an agreement of the outstanding balance as per this ledger should be made with the balance of P.W. Deposits shown in the general ledger.

15. Statement No. IX:-

Energy generated etc:

The percentage of units lost in ^{transmission} ~~distribution~~ and used on works to the total units generated during the year 1949-50 was 8.70 and 10.07 against the similar percentages of 11.14 and 9.47 respectively for the previous year.

16. General:-

The general state of accounts continues to be highly unsatisfactory. No action is taken on any of the suggestions made in the last audit report to improve the

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position. Although the post of a qualified accountant is sanctioned no appointment is made so far.

/not

~~Systematic~~ Ledger accounts are not maintained ~~by~~ ^{by hand}. The Block register of assets has been maintained so far. The Stores ledger has not been maintained. The requisitions are still not being prepared as instructed in the last audit report. Accounts of suspense head are not kept in the office of the concern. Copies of vouchers for expenditure incurred by the Divisional Office are not kept on record of the concern.

Large amounts are outstanding to be recovered from consumers and no effective action is taken towards recovery. The total of balances in the deposit accounts of consumers are not tallied with the balance in the general ledger.

Commercial system of accounting is not introduced so far. It is absolutely necessary to introduce ~~such~~ ^{the} system as early as possible.

17. - Minor objections have been included in an audit note which is sent to the Deputy Engineer for compliance and direct return.

P. D. Nark

ASSTT. EXAMINER, OUTSIDE AUDIT.

ksk/15.3.

No.OA/

Dated

March 1952.

Copy forwarded to:-

- 1) The Electrical Engineer to Govt. of Bombay.
- 2) The Deputy Engineer I/c Hubli Electric Supply P.W.D. Hubli with an audit note which may please be returned in original duly replied to.
- 3) The Senior Auditor Shri A.P. Vaishnav with a set of accounts.

1c Br. 2/3
Re nml

P. W. M.
File No. LHB1152
Serial No. 27845

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LIST OF LONG STANDING ARREARS FROM CONSUMERS (REFERRED TO IN
PARA 14(a) of the Report.

<u>LIGHTING.</u>		Rs.AS.Ps.
No.95	S.H.Adwani	365- 3-6
" 198	A.R.Shivnagappa	220- 2-0
" 118	P.G.Gondkar	179- 6-0
" 162	L.V.Kanade	162-13-0
" 278	Manager, C.T. Settlement	276-10-6
" 279	S.K.Adwani	168-10-6
" 299	Anand Book Depot	257-10-6
"408	C.T.Settlement Office	460- 0-0
" 425	B.M.Savnur	134-11-0
"480	V.R.Devi hosur	178- 8-6
"546	G.L.Hutzi	86- 4-0
" 576	Women's Hospital	866- 8-0
~~"576~~		
597	Laxmi Metal Works	59- 4-6
"672	S.N.Diyte	76- ~~5-6~~
"809	G.C.Belgani	76-10-6
"831	G.S.Neeli	63-12-6
"853	D.Y.Wagmode	322- 9-0
"863	A.R.Shivngappa	171-15-6
"880	M.D.Balavalli	140- 6-6
"913	R.S.Bengeri	578- 0-0
"952	Hubli Electricity Co.	303- 0-0
"954	-do-	307- 6-6
"956	-do-	372- 6-0
"972	-do-	266- 0-0
"989	-do-	272-15-0
"929	B.M.Lakhumdi	191-12-6
"1026	N.R.Jadhav	183- 0-6
"1072	C.R.Mirajkar	262-12-3
"1145	S.V.Kadkol	87- 6-0
"1161	G.D.Dikellely	83- 0-0
"1173	H.Wanmantrao	88-15-0
"1186	M.R.Shettar	451- 0-6
"1187	Nanug Prt.Press	742- 0-0
"1291	V.G.Lalage	99- 2-6
"1309	B.M.Hadgato	205-13-6
"1321	H.D.Bepari	105-12-6
"1405	B.G.Hiremath	130-11-0
"1472	R.V.Ronad	120- 6-6
"1539	C.M.Hipparji	251- 6-0
"1662	C.S.Hiremath & Co.	99-15-6
"1666	A.K.Kanke	226- 4-9
"1689	R.A.Ballal	204-11-0
"1682	B.B.Benachmaddi	81-15-6
"1779	M.G.Wudradgi	79- 5-0
"1813	K.H.M.Contractor	103-- 3-3
"1854	H.F.Habib	143-13-6
"2047	S.R.Padeswar	100-15-0

LIST OF LONG STANDING ARREARS (CONTINUED)

<u>Flat Rate consumers:-</u>		<i>Rs</i> <i>as</i> <i>ps</i>
No.1	M.F.Malakannavar	26-11-6
"10	M.H.Kanchgar	34-11-9
"14	V.V.Anvekar	36- 0-0
"18	S.V.Shivguppi	40- 0-0
"20	V.M.Bobbi	36- 0-0
"31	M.K.Belligatti	42-12-0
"80	J.A.Pathan	40-1-6
"85	S.M.Mannannavar	30- 0-3
"94	R.K.Makandar	29- 6-3
130	A.B.Belamkar	36- 0-0
167	B.K.Hanshi	32- 1-0

<u>Motive Power consumers' arrears:-</u>		
MP.33	The H.M.Borough	68- 2-6
" 69	-do-	112- 8-3
"88	-do-	116- 0-9
"41	A.L.Shingoti	603- 6-9
"66	M.S.Hoogar	381-14-3
"67	M.K.Belligatti	851- 0-3
"82	M.G.Hambal	147- 0-0
MP.86	H.E.Co.Ltd.	1,097- 1-6
" 99	M.R.Shettar	239-13-3
"148	E.V.Kadkol	656- 7-0
"135	E.B.Bhosle	665- 7-9
"152	S.B.Chellannavar	633-15-0
"169	S.M.Mannannavar	240- 3-3
"183	P.B.Alegundi	512-13-6

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LHB 1152/2, 86.8

P.W.D.

K.P.R.

Submitted.

2. The A.G., B'bas, has forwarded the audit report on the account of the Hubli Ely. undertaking for the year 1948-50. The El. Engr. to Govt. may be requested to offer his remarks in the first instance.

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31/3/52

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U.O. to the El. Engr. to Govt. dt.
1st April Issue U.O. 1/4/52

ELECTRICAL ENGINEER	
DEPARTMENT	
Inward No. 95	
Date 2-4	1952
File No. KA 11	
P. W. D., BOMBAY	

H.A.S.

Stock Accountant:- The sub-divisional officer has been authorised to maintain stock to the extent of Rs. 10,000 vide G.L. P.W.D. No.5660/36-A(111) dated 26-10-49. The prescribed stock returns were however not maintained. The non-maintenance of the stock accounts in the prescribed forms should please be explained. Immediate steps should also be taken to maintain all the prescribed registers of accounts.

It was noticed that the expenditure on purchases of store articles was usually debited to the works concerned and no quantity account of the materials was kept. It is not clear as to how the issues and balances of these materials were made for capital works (vide G.R.V. Books 7,8, & 9P. In the absence of quantity accounts, it will not be possible to have an effective control over the materials purchased and used. It is therefore essential that a proper store account showing both value and quantity should be maintained so as to have an effective control over the issue of stores.

It is also suggested that all store purchased should be brought to account before they are issued to the works concerned. It is suggested that in respect of large capital works account of stores in form (C.P.W.D. A.C.35) may be maintained.

7. **Account of dismantled materials:-**

A large stock of dismantled materials is lying in the compound of the concern. No account of these materials is kept, on the ground, that they include some property of outside parties. It is necessary that a proper inventory thereof should be kept showing therein the property of Government and private parties separately.

8. (a) **Statement No. I:-**

The capital expenditure incurred by Government during the year 1949-50 amounted to Rs. 181508-15-3. The total capital expenditure from state funds from the date of taking over the concern to the end of March 1950 was Rs. 883,877-4-4. The share capital raised by the Company was Rs. 6,88,700/-

(b) **Statement No. II:-**

This statement shows the 5½% of debenture loan of Rs. 1,25,000 raised by the Coy. before 31-3-44.

Statement No. III:-

(a) Receipts on account of service connections during the year amounted to Rs. 2301-15-3. The total receipts on this account to the end of March 1950 was Rs. 9294-5-3.

(b) The capital expenditure during the year was mainly incurred on installation of Plants and service connections.

(c) The total expenditure on capital works, the K.W. capacity of the plant installed and the K.W. capacity of the plants at service and capital expenditure per K.W. of plant at service for the years 1948-49 and 1949-50 are given below:-

	Total capital expenditure as per Statement III.	Capacity of plant installed in K.W.	Capacity of plant at service in K.W.	Capital exp. per K.W. of plant at service.
				Rs.
1948-49	14,99,481	1462	320	4685.9
1949-50	16,80,987	1984	870	1932.17

**REPORT ON THE AUDIT OF THE ACCOUNTS OF THE MUBLI ELECTRIC
SUPPLY P.W.D. (SUB-DIVISION OF THE NORTH ELECTRIC DIVISION
P.W.D.) FOR THE YEAR 1949-50.**

The Secretary to the Government of Bombay,
Public Works Department,
Bombay.

The audit of the account of the Mubli Electric Supply sub-division P.W.D. and the examination of the annual statements of accounts for the year 1949-50 was carried out in the office of the sub-divisional officer in charge of the concern at Mubli between 21-1-52 and 1-2-52. Transactions for the months of December 1949 (21-11-49 to 20-12-49) and March 1950 (21-2-50 to 31-3-50) were subjected to detailed scrutiny. Statements I to IX and the statement of financial technical data for the year 1949-50 are attached.

2. Previous audit:

Paras 2, 3, 5, 6, 7, 8, 12, 18, 26, 30 & 31 of the Audit Report for 1943-44 to 1948-49:-

A reference is invited in this connection to this Office U.O.No. 04/13708 dated 1-2-52.

Para. 13:- The block register of assets which was promised to be maintained has not been maintained so far. This work of writing up the block registers should be completed immediately.

Para 29:- There has been a reduction in the percentage of units lost in transmission. It was stated that there would be a further reduction when the installation of two new sub-divisions and replacement of the existing feeders were completed. Urgent action to complete the same should be taken.

3. Current Audit:-

Expenditure incurred by the Executive Engineer North Electric Division, P.W.D. Bombay in cash and by adjustment on this concern could not be scrutinised as the copies of the relevant vouchers and the transfer entry orders were not kept in the sub-divisional office. Similarly accounts of suspense heads like "P.W. Advance" were also not kept at the office of the concern. In view of the commercial character of the undertaking the need for keeping all the records and relevant accounts at the Mubli office is emphasised.

The works abstracts giving the details of expenditure incurred by the Divisional office which formed the basic records for preparing the commercial accounts were not signed by the Divisional Officer.

4. Verification of Cash:-

The cash balance was verified on 31-1-52 and found to agree with the balance in the Cash Book.

5. Accounts of Expenditure on Motor car:-

One motor car has been taken over from the Mubli Electric Supply Coy. It is being used by the Deputy Engineer. Car Log Books, Car Diary, Car Orders and petrol and oil account were however not maintained.

In the absence of these records it cannot be verified whether the car is being used for official purposes only. It is absolutely necessary that these records should be maintained in suitable forms with immediate effect. It should be ascertained whether the car has been used for private purposes and if so the charges should be recovered from the persons concerned.

No. 10

Para 13

The valuation of block assets such as buildings, machinery, etc. has to be made for individual types of assets, before posting of registers can be taken in hand. This question is being taken up with the R. Engineer, Bombay Elec. Co. Ltd., Bombay and the work of writing up the block register of assets will be taken up shortly. The work of erecting sub-station in the city is already in progress. The necessary action is being taken to complete the work as early as possible.

The undertaking is treated as a sub-divisional unit under a Divisional Office, (viz., the Executive Engineer, Bombay Elec. Co. Ltd., Bombay) and as such the Sub Divisional accounts are incorporated in Divisional Accounts under the existing rules of the P.W.D. All the initial records are therefore being recorded in the Divisional Office under these rules. However, after starting the commercial system of accounts for this undertaking, all the relevant account papers will be kept in this Office.

3)

Para 3

The motor car in this question is used for official purposes only. Car log books, diaries etc. will be maintained hereafter as instructed. As the car is not used for any private purposes, the question of recovery of charges does not arise at all.

5)

Para 5

Para 6

The first consignments of stock materials was received in February/March 1950 only. As such, maintenance of this Stock account is taken up during 1950-51.

The store-keeper taken over from the Company's staff was unfit of the work and he was discharged from service in September 1950. Then there was no store-keeper for about 5/6 months, and the store keeper that was appointed in January 1951 was also found unfit for the work and was dispensed with in April/May 1951. In June 1951, a new store keeper is appointed and he will be entrusted with the work from 1952-53, as instructed.

Form C.P.W.D. A.C. 35 will be obtained and maintained.

Para 7.

(7)

An inventory showing the list of dismantled materials lying in the compound belonging to Government and private parties separately has been prepared as suggested.

(8)

No remarks

(9)

In ---

(d) The percentage of revenue realised on the capital expenditure for the year 1949-50 was 10.50 against 10.78 for the year 1948-49.

3. Statement No. IV Revenue account Receipts:-

(a) The receipts from the sale of energy and other sources with the units sold to the various classes of consumers for the years 1948-49 and 1949-50 are compared below:-

Item	Unit	Amount	1948-49	Unit	1949-50	Price in annas per unit.
			Price in annas per unit.		Amount	
1. Lighting	247220	125247	8.10	272167	138223	8.13
2. Power	143549	30804	3.43	146860	32126	3.50
3. Special contracts	1590	740	7.44	1950	740	6.07
4. Public lighting	--	--	--	--	--	--
5. Total	392359	156791	6.39	420977	171089	6.50
Less discount allowed		888	0.03		907	0.03
Net:		155903	6.36		170182	6.47
Add Revenue from meters:		5462			5516	
Misc. Receipts		321			326	
Total:		161686			176024	

The supply of electricity for public street lighting was not restored during the year 1949-50. It was restored only from July 1951.

There has been no change in the rates charged to consumers during the year 1949-50.

(b) Expenditures:-

The working expenses (excluding depreciation, interest charges, writes-off etc.), the cost per unit generated and sold for the years 1948-49 and 1949-50 are compared below:-

Item	Amount in Rs.,	Cost per unit (in As.)		Amount in Rs.	Cost per Unit Sold and Generated in As.	
		Sold	Generated		Sold in As.	Generated in As.
1. Fuel	33662	1.372	1.089	34,464	1.310	1.064
2. Oil, Vastage Water etc	3118	0.127	0.100	5,056	0.192	0.156
3. Wages & salaries excluding management.	26998	1.100	0.873	31,485	1.197	0.972
4. Repairs & maintenance.	13519	0.551	0.437	8,272	0.314	0.255
5. Rents, Rates & Taxes	1691	0.069	0.054	2,293	0.087	0.071
6. Office Estt. Audit etc.	12993	0.529	0.426	23,664	0.899	0.730
7. Total	91981	3.748	3.979	1,05,234	3.999	3.248
Units Sold	392359			4,20,977		
Units generated.	494259			5,18,222		

The sharp increase under the headwages & salaries is due to the appointment of additional staff revision of Pay Scales and payment of arrears on account of the revision of Pay scales.

(P.T.O.)

(c) The quantity of diesel oil consumed, total energy generated and energy generated per gallon of oil for the years 1948-49 and 1949-50 are compared below:

Year	Diesel Oil used in gallons.	Energy Generated	No. of units generated per gallon of oil.
1948-49	43761	494259	11.29
1949-50	47161	518222	10.99

There is a decline in the number of units generated per gallon of oil. In the absence of the proper store account it is not possible to verify whether the entire quantity of oil was used for running the engines only.

11. Statement No.V. Net revenue account:-

(a) The net revenue account to the end of 1949-50 shows a net surplus of Rs.142-7-3 only as against Rs.6483-3-7 at the end of the previous year. The deficit during the year 1949-50 (viz.Rs.6340-12-4) appear mainly due to increase in establishment expenses and heavy depreciation charges.

(b) Interest on capital:-

The amount of interest on capital (book value of assets taken over and the capital invested by the Government) for the year 1949-50 works up to Rs. 52,365 as shown below:

(1) Interest on book value of assets taken over:-

	Rs.	A. P.
Opening capital on 1-4-49 as per annexure to the Audit Report for 1943-44 to 1948-49 :	9,11,874-10-2	
Add interest for 1948-49:	31,916-0-0	
	9,43,790-10-2	
Closing Balance:	9,43,790-10-2	
Total:	18,87,581-4-4	
Mean Capital:	9,43,790-10-2	
Interest @ 3.5% per annum:	Rs.33,033/-	

(2) Interest on Government Capital:-

	Rs.	A. P.
Opening Capital:	4,88,205-1-11	
Add interest 1948-49:	8,502-0-0	
Total:	4,86,707-1-11	
Add net expenditure during the year 1949-50:	1,11,265-4-7	
Closing Capital:	6,07,972-6-6	
Opening Capital:	4,86,707-1-11	
Closing Capital:	6,07,972-6-6	
Total:	11,04,679-8-5	
Mean Capital:	5,52,339-12-2	
Interest @ 3.5% per annum:	Rs. 19332.	
Total Interest:	(1) Rs. 33033	
	(2) Rs. 19332	
	Rs. 52365.	

The total interest charges from the date of taking over to the end of 1949-50 works upto Rs.2,16,670 (Rs.164305 + 52365). If this interest on capital is added to the balance of the net revenue account, that account would show a net deficit of Rs.2,16,527-8-9 which

(P.T.O.)

Para 18(c)

(loc 1)

53

An oil account is now kept in a separate register in which quantity of oil issued daily to the engines is recorded. In the log sheets fuel consumption of each engine and its total working hours are recorded. From the above accounts the quantity of oil used for running the engines, can be easily verified.

No remarks.

represents the loss incurred after the undertaking was taken over by the Government. As remarked in the last audit report, this figure is, however, provisional and will need revision after purchase price of assets taken over from the Coy, is settled. The rate at which interest has been calculated for the year 1949-50 is also provisional in view of the fact that the final rate of interest is not known.

12. Statement No. VI:- There was no reserve fund during the years the Company worked the concern.

13. Statement No. VII Depreciation Fund Account:-
The total depreciation reserve to the end of 1949-50 created after the undertaking was taken over by the Government was Rs. 280280 as against the reserve of Rs. 2,03,148 as at the end of the year 1948-49.

In addition the reserve created by the Company prior to 1943-44 was Rs. 1,36,463-13-11.

The depreciation is worked on the book value appearing in the company's ledgers on 31-3-44 plus additions calculated in accordance with the rates laid down in the table appended to the seventh schedule to the Electricity (Supply) Act 1948. The depreciation is worked out on the total value of the assets under each category. It should be worked out on each individual assets separately. During the year 1944 to 1949 the depreciation was worked on the value of assets shown in the Capital account. It was noticed during audit that depreciation has been calculated on obsolete and dismantled assets. The Electrical Engineer may consider whether it is essential to charge depreciation on such assets and issue instructions accordingly.

14. Statement No. VIII:- Balance Sheet:

a) Sundry debtors Rs. 26050-7-3.

On reviewing the list of sundry debtors, it was noticed that a large number of consumers have not paid their dues for more than six months. Several of them have not paid anything for some years. Energy is still being supplied to them and no action is taken to recover the dues. A list of a few consumers who have not paid the charges for over six months is attached. Vigorous action is necessary to recover the amounts in order to avoid bad debts.

b) Sundry creditors Rs. 22953-4-3:

This amount includes the amount of Rs. 8829-8-6 received towards P.W. Deposits. The ledger of consumers' deposits is not balanced at all. It is not therefore possible to tally the total outstanding balances in this ledger with the general ledger. The consumer's ledgers should be balanced and an agreement of the outstanding balance as per this ledger should be made with the balance of P.W. Deposits shown in the general ledger.

15. Statement No. IX:-

Energy generated etc:

The percentage of units loss in transmission and used on works to the total units generated during the year 1949-50 was 8.70 and 10.07 against the similar percentages of 11.14 and 9.47 respectively for the previous year.

16. General:-

The general state of accounts continues to be highly unsatisfactory. No action is taken on any of the suggestions made in the last audit report to improve the position. Although the post of a qualified accountant is sanctioned no appointment is made so far.

A qualified Accountant has already been recently appointed and a proposal of introduction of the system of commercial accounts has already been submitted to Government for approval. As soon as the proposals are accepted and the additional staff sanctioned for the same, all the relevant records will be kept in this

Page (16)

The consumers' ledger has not so far been maintained. The Accountant who is newly appointed has submitted his proposals to the Higher Authorities for maintaining such registers. On receipt of orders needful will be done.

Page (14-b)

After putting the new engines into commission, there was very heavy rush of new connections and the office staff was found inadequate to cope up with the increased work. Formerly there were 1200 consumers in the city. This figure went up to about 3000 within a short time, and proper attention could not be given for the prompt recovery of the arrears. We are now taking prompt actions under Section 24 of the I.E. Act 1910 for recovering all the pending arrears from the consumers.

Page (14-c)

A reference is made to the Electrical Engineer to Government, Bombay and his orders are awaited in the matter.

Page (13)

Ledger accounts are not maintained systematically. The Block register of assets has not been maintained so far. The stores ledger has not been maintained. The requisitions are still not being prepared as instructed in the last audit report. Accounts of suspense head are not kept in the office of the concern. Copies of vouchers for expenditure incurred by the Divisional Office are not kept on record of the concern.

Large amounts are outstanding to be recovered from consumers and no effective action is taken towards recovery. The total of balances in the deposit accounts of consumers are not tallied with the balance in the general ledger.

Commercial system of accounting is not introduced so far. It is absolutely necessary to introduce this system as early as possible.

17. Minor objections have been included in an audit note which is sent to the Deputy Engineer, for compliance and direct return.

Sd/- S. Srinivas Rao

ASSTT. EXAMINER, OUTSIDE AUDIT.

kak/15.3.

No.0A/16269

dated 20th March 1952.

Copy forwarded to:-

- 1) The Electrical Engineer to Govt. of Bombay.
- 2) The Deputy Engineer I/c Hubli Electric Supply, P.W.D., Hubli with an audit note which may please be returned in original duly replied to.
- 3) The Senior Auditor Shri. A.P.Vaishnav with a set of accounts.

Sd/. P.D. Naik

ASSTT. EXAMINER, OUTSIDE AUDIT

Remarks

37

Office and the account books as suggested in the notes, will be maintained in this Office.

J. H. Halse

Deputy Engineer,
The Hubb Electric Supply,
N. P. W. D.

**LONG STANDING APPEARS FROM CONSUMERS
(REFERRED TO IN 14(a) of the Report.**

LIGHTING

95	S.H. Adwani	365..3.6
98	A.R. Shivanagappa	220..2.0
118	P.G. Gondkar	179..6.0
162	L.V. Kanade	162.13.0
278	Manager, CIT. Settlement	276.10.6
279	S.K. Adwani	168.10.6
299	Anand Book Depot	257.10.6
408	C.T. Settlement Office	460..0.0
425	B.M. Savanur	134.11.0
480	V.R. Devihosur	178..8.6
546	G.L. Rutgi	86..4.0
576	Women's Hospital	866..8.0
597	Laxmi Metal Works	59..4.6
672	S.N. Dive	76..5.6
809	G.C. Belgavi	76..10.6
831	G.S. Neeli	63.12.6
853	D.Y. Wagnode	322..9.0
863	A.R. Shivanagappa	171.15.6
880	M.D. Balvalli	140..6.6
913	R.S. Bengeri	578..0.0
952	Hubli Electricity Co.	303..0.0
954	-do-	307..6.6
956	-do-	373..6.0
972	-do-	266..0.0
989	-do-	272.15.0
929	B.M. Lakkundi	191.12.6
1026	V.R. Jadhav	183..0.6
1072	C.R. Mirajkar	262.12.3
1145	S.V. Kadkol	87..6.0
1161	G.B. O'Kelley	83..0.0
1173	H. Hanumantha Rao	88.15.0
1186	M.R. Shettar	451..0.6
1187	Navagug Prtg. Press.	742..0.0
1291	V.G. Lalge	99..2.3
1309	B.M. Hadagali	205.13.6
1321	H.D. Bepari	105.12.6
1405	B.G. Hiremath.	130.11.0
1472	R.V. Bonad	120..6.6
1539	C.M. HIPPARGI	251..6.0
1662	C.S. Hiremath & Co.	99.15.6
1666	A.K. Kanke	226..4.9
1689	R.A. Ballal	204.11.0
1682	B.B. Benchabaddi	81.15.6
1779	M.G. Wadwadgi	79..5.0
1813	K.H.M. Contractor	103..3.3
1854	H.F. Habib	143.13.6
2047	S.R. Pandeshwar	100.15.0

LIST OF LONG STANDING ARREARS (CONTINUED)

80

Flat Rate Consumers:-

No.		Rs. a.p.
1	M.P. Malakannavar	26.11.6
10	M.H. Kanchagar	34.11.9
14	V.V. Anvekar	36.0.0
18	S.V. Shikrguppi	40.0.0
20	V.M. Bobbi	36.0.0
31	M.K. Belligatti	42.12.0
80	J.A. Pathan	40.1.6
85	S.M. Manannavar	30.0.3
94	R.K. Makandar	29.6.3
130	A.B. Belankar	36.0.0
167	B.K. Hanshi	32.1.0

Motive Power Consumers' arrears:

M.P. No.		
33	The H.M. Borough	68.2.6
69	-do-	112.8.3
88	-do-	116.0.9
41	A.L. Shingoti	603.6.9
66	M.S. Hoggar	381.14.3
67	M.K. Belligatti	851.0.3
82	M.G. Hombal	147.0.0
86	H.R. Co. Ltd.	1,097.1.6
99	M.R. Shettar	239.13.3
147	S.V. Kadkol	656.7.0
135	Y.B. Bhosle	665.7.9
152	S.B. Chellannavar	633.15.0
169	S.M. Manannavar	240.3.3
183	P.B. Algundgi	512.13.6

1-03

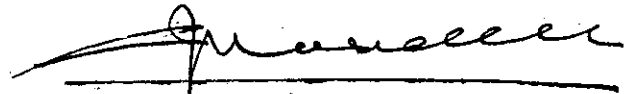
Below U.O.R. No. LHB-1152/27845 dt. the 1st April 1952 from Govt.
in the Public Works Department, Bombay.

No. LA-11/ 13495 of 1952-53.

Bombay, 26th December 1952.

Returned with compliments.

2. A copy of the audit report together with the remarks of the Deputy Engineer, Hubli on its paras, where necessary is enclosed. I agree with the remarks of the Deputy Engineer. As regards para 13 of the audit report it may be stated that in accordance with para VII(I) of the Sixth Schedule to the Electricity (Supply) Act, 1948, no depreciation be charged as the assets which have ceased to be available for use through obsolescence and the Deputy Engineer is being intimated accordingly.



Electrical Engineer to Govt.

K_{27/12}

LHB 1152

125250

Sam Pomeroy
27/12
1-2

63

LHB 1152/125250

K. Br.P. W. D.

Submitted with ref. to O.N. dt. the
31-3-52 - p. 43

2. Pl. see ^{Ms. 47, 49, 51, 53, 55, 57} the remarks of the Deputy
Engineer, Hubli, on necy. paras of the audit
report on the accounts of the Hubli Ely.

Undertaking for the year 1949-50. The El. Engr
has agreed to the views expressed by the Deputy Engr,
Hubli. The reply of that officer may be forwarded
to the Examiner, O. A. D. for information and
remarks, if any, thereon, ^{may be called for.} The necy. draft put up.
may issue if approved - p. 63

A-S. III.


2/1/53


2-1-53

Letter

No L.A.B 1152K

P.W.D.

B. C. (B'bay No.1)
3rd January 53

20

The Examiner, Outside Audit Deptt.,
~~At the Office,~~ B'bay No. 1.

Subject : Accounts of the Habli Ely.
Undertaking for the year
1949-50

Enclosed copy of the ^{letter} ~~reply to~~ No LA-11/13445
dt. the 26-12-52 with its acct.
~~the reply from~~ ^{el} from the ^{to govt} Deputy Engineer, ^{L.O.} Habli,
is forwarded to you and ^{and} with to request you to
return the letter along with
~~communicate to govt.~~ your remarks in the
matter, if any, through the El. Engr. to govt.

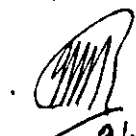
~~P. 43~~
D.A.: Copy of reply letter

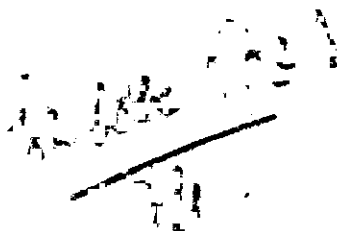
By order etc

Asst Secd. etc.

P.W.D.

Copy forwarded to the El. Engr. to
govt. with ref. to his No LA-11/13445, dt 26-12-52
P-61


2/1/53.


3/1/53

3/1/53

67

Letter.

No.LHB 1152 K.

Public Works Department,
Bombay Castle (Bombay No. 1),
3rd January 1953.

To

The Examiner,
Outside Audit Department,
Bombay No. 1.

Subject:- Accounts of the Mubli Electricity
Undertaking for the year 1949-50.

.....

Enclosed copy of letter No.L.A.-11/13495, dated the 26th December 1952 with its accompaniment from the electrical Engineer to Government is forwarded to you and to request you to return the letter along with your remarks in the matter, if any, through the Electrical Engineer to Government.

By order and in the name of the Governor of Bombay,

3 PPS

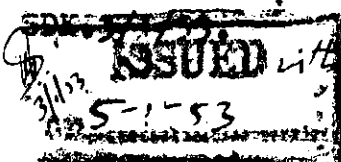
[Signature]
6/1/53 NK

O/C

Assistant Secretary to the Government
of Bombay, Public Works Department.

D.A.-Copy of
letter.

Copy forwarded to the Electrical Engineer to Government with reference to his No.LA-11/13495, dated the 26th December 1952.



URGENT

Telegraphic Address—ACCOUNTS.

A. G. 37(6).

No. O.A./15688

12 Jan. 1953 19

Bombay

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters above the No. as given opposite, may be quoted and the reply addressed to—

THE ACCOUNTANT GENERAL,
QUEEN'S ROAD, BOMBAY.

Reply to be addressed to:-
FROM
THE EXAMINER, OUTSIDE AUDIT DEPARTMENT.
Branch Office THE ACCOUNTANT GENERAL, Bombay.
Universal Assurance Building, 4th Floor,
Sir, P. M. Road, BOMBAY No. 1

To

The Asstt. Secretary to the Govt. of Bombay.
Public Works Department, Bombay.

Sir,

Sub: Accounts of Hubli Elec. Undertaking
for 49-50

Ref: G.L.P.W.D.LH.B.1152 K dt.3-1-53.

The accompaniments referred to in letter no. LA-11/129x31x31495 13495 of 5/53 dt.26-12-52 to Government in the P.W.D. has not been received and may therefore be sent to this office at an early date.

Yours faithfully,

Revision

Asstt. Examiner, Outside Audit.

16/12/53

No.OA/

Copy forwarded to the Elec.Engineer to the Govt. of Bombay for information.

gm.
13/11 K
— 13/11

LHB 1152

4682

SW-AN
12/11

12/11

LHB 1152/4682

P.W.D.

K. Bz.

^{h. 19}
Submitted with a neeq. draft for
approval — h. 73



~~h. 73~~
20-1-73

A.S. (IV)

No LHB 1152 K.

Letter 73

1. W. D.

B. C. (B'bay, No. 1)

21 January 1953

20

The Examiner, Outside Audit Deptt.

B'bay No. 1.

Subject: Accounts of the Hubli Ely.
Undertaking for the year 1949-50

Ref: your letter No. OA/15688, dt the
12th January 1953.

2. I am directed to forward
herewith the ^{h. 45-60} accomplishments refd to in h. c. ^{h. 67}
No LHB 1152 K., dt the 3rd January 1953.

^{h. 45-60}
D. A. : acct.

~~By order of~~
Supdt; P. W. D. Sect.
~~Asst Secy etc.~~
~~P. W. D.~~

21/1

27/1

20/1/53

Letter.

No.LHB 1152 K.

Public Works Department,
Bombay Castle (Bombay No.1),
21st January 1953.

To

The Examiner,
Outside Audit Department,
Bombay No.1.

Subject :- Accounts of the Hubli Electricity Undertaking
for the year 1949-50.

Reference : Your letter, No.OA/15688, dated the 12th.
January 1953.

2. I am directed to forward herewith the accompaniments
referred to in Government Letter No.LHB 1152 K, dated the
3rd January 1953.

D.A. Acct.

PSM.21/1/53.

-2.

2 PPS

ASBarkhane C/K
Superintendent,
Public Works Department Secretariat.

ISSUED

22-1-53

Report to be sent to:-

THE EXAMINER

77
SIDE AUDIT DEPARTMENT

Accountant General

Public Works Department, 4th Floor, 1st

Sir, P. M. Road, BOMBAY No. 1

No. OA/18099

17 Feb. 1953

To

The Assistant Secretary to the Government of Bombay,
Public Works Department,
Bombay.

Report on the audit of the accounts of
Subject: Hubli Electricity Undertaking for the year 1949-50.

Reference: Govt. letter, P.W.D., LHB.1152-K dated 21-1-1953. 1.75

The following remarks are offered on the replies of the
Deputy Engineer I/C Hubli Electricity Undertaking to the
audit report for 1949-50:-

1.27
Para 2:- Further remarks have been included in the audit
report for 1950-51.

1.27
Para 3:- In the absence of the relevant documents it is
not possible for audit to certify the correctness of the accounts.
Steps should be taken to obtain the necessary vouchers etc.
from the Divisional Office and present the same —
to the Sr. Auditor of this office during local audit.

1.27
The reply to the last portion regarding work abstracts
without the signature of the D.E. Officer has not been replied
to. This may please be attended to now. 1.35-37

1.27
Paras 4, 8, 9, 10(a)(b), 11, 12, 15 & 17:- No remarks.

1.27
Paras 5, 6, 7, & 10(c), 14(a) : The action taken and the
replies given will be seen at next audit.

1.35
Para 6:- The action taken will be seen at next audit. It
is also necessary that a physical verification of the stores
should be done at frequent intervals and a certificate of
verification recorded in the Store Ledger.

1.35
Paras 13, 14(b) & 16:- Further communication is awaited.

The accompaniments are returned herewith.

No. CA/

Asstt: Examiner, Outside Audit
11/4/53

Copy forwarded to:-

- (1) The Electrical Engineer to the Govt. of Bombay, Bombay
- (2) The Executive Engineer, Bombay Electric & Light Division
Bombay.
- (3) The Dy. Engineer-in-charge Hubli Electricity Undertaking, Hubli.

3-1-202

K
2-2

P. W. D.
LABOUR
20367

24-1-202

79

LH1152/20367

K. Br.

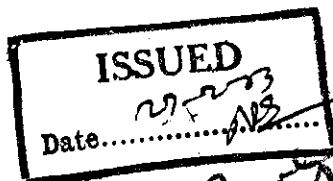
P. W. D.

Submitted with ref. to H. C. At. the

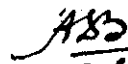
3-1-53. - 6.67

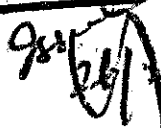
X No. LH1152K At. the
27 February 1953

2. The usual^X memo calling for
the remarks of the El. Engo. is put up
for signature.

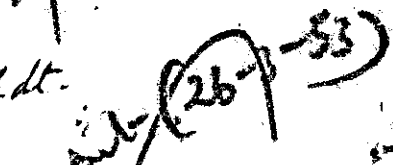



26/2/53


26/2
3 1


26/2

Supdt.


26/2
S. W. P. W. D.
2.1/4

80

K.B.

P.W.D.

The 1st Engr. expedited under No
LHB 11521C dt 30th April 1953.

42
29/4/53.

29/4/53

183
29/4 9/5/53

supdt

Date... 30/4

Amount (253-53)
30/4

The Person
24/5

2nd Lt. Engr. to 800th expedited under
No. LHB 11521C, dt. the ~~May~~^{8th} June 1953

6/6/53

8th Engr. Co.

25/7

2
4/6

Recd 29/6
1953

on 8/6/53

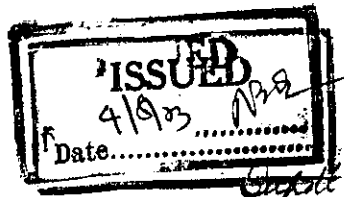
supdt

ISSUED
8-6-53
101K

81

LHB 1152 / 20367K. Br.P. W. D.

The El. Engr. to Govt expedited
under No. LHB 1152 K, dt. the 4th August 1953



[Signature]
3/8/53

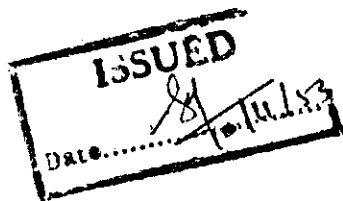
ASB
4/8

AWAITING 9-5) JAC. -
5/8 4/8

K. Br.

P.W.D

The El. Engr. to Govt. expedited under
No. LHB 1152 K dt. 10-11-53



8D: 9/11/53

ASB
9/11

[Signature]
9/11/53

Subdt.

[Signature]
9/11

Amant (18-12-52)
12/11


16/12

Soni Purnima
19/12

For further disposal pl. see
file no. LHB 1153/89609
98019

RN Pandit
4/8/86